

February 21, 2003

TO: Internal File

THRU: Karl R. Houskeeper, Environmental Scientist III, Team Lead

FROM: Wayne H. Western, Environmental Scientist III

RE: South Portals, Genwal Resources, Inc, Crandall Canyon Mine, C/015/032-02A-1

SUMMARY:

Genwal Resources, Inc. proposes to add three portals along the south slope at the Crandall Canyon Mine. The memo deals exclusively with the reclamation cost estimates. All other issues are assumed adequate.

TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Division reviewed the reclamation cost estimates for the south portal area. The Division found some errors that need to be corrected before the bond amount can be approved. Those errors include but are not limited to:

TECHNICAL MEMO

- The Permittee list what appears to be two activities twice. Under earthwork calculations the ripping of the fill area seams to be listed twice but in the first item the ripper is pulled by a pickup truck while in the second listing the ripper is pulled by a D-9 bulldozer. The ripped volume is identical for each line.
- Under miscellaneous costs, the Permittee lumps several items. The Division needs those costs broken down. Some costs are items that are not required by the Division such as water and vegetation sampling.
- The earthwork summary sheet contains information not usually found on a summary sheet and the subtotals are not totaled.
- The Permittee did not include all the relevant information needed to verify the bond calculations. The Permittee did not include updated maps and cross-sections that show the additional earthwork that will be needed.

Findings:

The information provided in the amendment is not considered adequate to meet the requirements of the bonding section of the regulations: Prior to approval, the Permittee must provide the following in accordance with:

R645-301-830.140, The Permittee must give the Division detailed information needed to calculate the bond amount. The Division found some errors in the bond calculations that are listed in the analysis section; the Permittee must also give the Division the maps and cross-sections that were used to calculate the earthwork costs.

RECOMMENDATIONS:

The Division should deny the amendment until all the above-mentioned deficiencies are corrected.